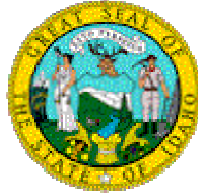


State of Idaho

Send invoices to the
address listed
below or as indicated in
the
comments or instructions
field

Boise, ID 83720-0075



State of
Idaho

Participating Addendum
CHANGE ORDER - 01

THIS NUMBER MUST
APPEAR
ON ALL DOCUMENTS

Participating
Addendum
PADD1020 - 01

DELIVER

TO: State of Idaho Various Agencies
Various State Agencies
located throughout Idaho

Various, ID 83701

Date: Thu Aug 17, 2006
F.O.B: Destination
Terms:

VENDOR:

NEOPOST
30955 HUNTWOOD AVENUE
HAYWARD, CA 94544
Attn: Primary Customer Contact
Vendor Nbr:
Emailed To: gov@neopostinc.com
Phone: 510-487-6800
Fax: 510-487-6746
Account Number: P00000018080

Start of Wed Nov 09, 2005
Service Date
Wed Nov 08, 2006
End of Service
Date:

RFQ#: [RFQ04951](#)
DOC#: [PREQ10537](#)

Buyer: [DICK VOGEL](#) 208-332-1605

Item No	Description	Quantity UOM	Unit Price	EXTENSION
000	BLANKET PURCHASE AGREEMENT (line item particulars follow)	1 lot		75000.00
	Total:			75000.00
Blanket Comments:				
Item No	Description	Quantity UOM	Unit Price	EXTENSION
001	NOTICE OF STATEWIDE WSCA PARTICIPATING ADDENDUM CONTRACT (PADD) AWARD (985-54) (nt)	1 LOT	75000.00	75000.00
General Comments:	This contract amendment and the provisions hereof are hereby attached to and made part of that State of Idaho participating addendum contract number PADD 1020, dated January 17, 2006 ("Contract") for mailing equipment, for the benefit of State of Idaho			

<p>Agencies, institutions, and departments and eligible political subdivisions or public agencies as defined by Idaho Code, Section 67-2327, between Neopost Inc., as "Contractor" and the State of Idaho as "State." Contractor and State hereby agree as follows:</p> <p>All of the terms and conditions contained in the Contract shall remain in full force and effect, except as expressly modified herein. The effective date of this Amendment is August 16, 2006.</p> <p>The participating addendum is amended by the inclusion of the attached additional terms and conditions named Neopost_WSCA_Amendment. Upon leasing (rental) of equipment from Neopost, the lessee will complete the document named Neopost_WSCA_Amendment, providing a copy to Neopost and maintaining a copy in the lessee file.</p> <p>Contract pursuant to Western States Contracting Alliance (WSCA) and Arizona Price Agreement EPS050076. The contract is for the benefit of State of Idaho Agencies, institutions, and departments and eligible political subdivisions or public agencies as defined by Idaho Code, Section 67-2327. The Division of Purchasing or the requisitioning agency will issue individual releases (delivery or purchase orders) against this Master Contract on an as needed basis for a period of one (1) year commencing November 9, 2005 and ending November 8, 2006.</p> <p>Contract Title:.....Mailing Equipment & Maintenance Contract Usage Type:.....Optional Use Public Agency Clause:Yes Contract Administration:....Dick Vogel Phone Number:.....(208) 332-1605 E-Mail:.....dick.vogel@adm.idaho.gov</p> <p>Contractor's Primary Contact Attn:.....Tracy Warren Address:.....30955 Huntwood Ave City, State, Zip:..... Hayward CA 94544 Phone Number:..... (303) 420-6385 Fax Number:..... (303) 420-6386 E-Mail:.....t.warren@neipostinc.com</p> <p>CONTRACTOR: Ship to the FOB DESTINATION point and BILL DIRECTLY to the ORDERING AGENCY. DO NOT MAIL INVOICES TO THE DIVISION OF PURCHASING. Notating the Contract Award Number on any invoices/statement will facilitate the efficient processing of payment.</p> <p>QUANTITIES: The State of Idaho, Division of Purchasing can only give approximations of quantities and will not be held responsible for figures given in this document.</p>	
Instructions: Freight / Handling Included in Price	
	By: DICK VOGEL

**STATE OF IDAHO
LEASE AGREEMENT**

The (Name of Agency), hereinafter referred to as "Lessee", enters into this Lease Agreement hereinafter referred to as "Lease," with the NEOPOST INC hereinafter referred to as "Lessor" whose name and address are noted in Exhibit E, said exhibit (and all other exhibits hereinafter referenced) attached hereto and incorporated in full, for the lease (rental) of the following personal property items set forth in Exhibit A, such personal property hereafter referred to as "Equipment."

1. **DELIVERY:** Lessor agrees that said Equipment shall be delivered to Lessee at Lessee's place of business, on or before the date specified in Exhibit C. Failure to deliver by the date specified constitutes an event of default by Lessor. If this lease is in default, NEOPOST INC., will give a thirty-day notice and cure period. NEOPOST INC., and State of Idaho hereby agree to the following additional terms and conditions:

1. Following written notification by Lessee to NEOPOST INC., of documented equipment problems and/or service issues that Lessee is having with NEOPOST INC., agrees to skip bill Lessee for a maximum of ninety (90) days following such notification.
2. Upon resolution of such equipment problems and/or service issues, NEOPOST INC., will resume billing on a normal schedule and will bill any such skipped payments at the back end of the Lease.
3. Lessee agrees to make all payments under the Lease as they become due, including any such skipped payments following resolution of the outstanding equipment problems and/or service issues.

2. **EQUIPMENT:** Equipment shall be in good condition, without prior use by Lessor unless otherwise provided by the bidding documents, completely serviced for immediate use by Lessee, free from defect, and in all respects prepared for the use for which it is intended as per specifications set forth in Exhibit B.

3. **CONFORMING GOODS:** The Equipment shall minimally conform in all respects with the Equipment specifications as set forth in Western States Contracting Alliance (hereafter WSCA) master contract number EPS050076 with Idaho participating Addendum Number PADD1020. In the event of nonconformity, and without limitation upon any other remedy, Lessee shall have no financial obligation in regard to the nonconforming Equipment.

4. **DURATION OF LEASE-OPTION TO RENEW:** Lessor agrees to lease said Equipment to Lessee for a period of time as set forth in Exhibit C, hereinafter referred to as "Lease Term." Lessee shall exercise its option to renew for annual periods, if at all and provided by the bidding documents, by serving written notice upon Lessor of its intent no later than thirty (30) days prior to conclusion of a Lease Term. Pricing for any renewal period shall not exceed the amount for the most recent annual period of the Lease Term or as provided by the bidding documents. Written notice shall be deemed to be received by Lessor upon dispatch of same by the Administrator, Division of Purchasing, in the postal system of the United States.

5. **COST OF LEASING:** The cost of leasing shall be as set forth in Exhibit D.

6. **PAYMENT SCHEDULE:** Lessee's obligation to make periodic payments for the lease of said Equipment shall begin upon delivery of goods which conform to the requirements of the Lease. Lessor agrees to bill Lessee on the 30th day of the month immediately prior to the month for which payment is requested. Payment for each Lease period shall be dispatched by Lessee no later than the 1st day of the month for the period for which payment is requested. Lessor is specifically aware that the use of said Equipment will be by the Requisitioning Agency listed in Exhibit E, an agency of the State of Idaho. Lessor is further aware that such use is to be funded by appropriations from the Legislature of the State of Idaho, and may be funded in part by the government of the United States of America. Lessor is further aware that payment pursuant to the terms of this Lease shall

**STATE OF IDAHO
LEASE AGREEMENT**

be by government voucher. Lessor specifically agrees that late payment by the State of Idaho shall not constitute grounds for Default. Any payments received later than thirty (30) calendar days from the due date may be subject to a late charge of five percent (5%) of the amount of the payment which remains due for more than thirty (30) calendar days. Lessee agrees to tender payment for the twelfth month of the Lease period simultaneously with tender of the first month's payment, if requested.

7. **NOTICE OF INTENT TO CANCEL FOR DEFAULT:** Lessor or Lessee shall give thirty (30) days written notice to the other, of any intent to cancel this Lease upon grounds of Default. Within that time period, the appropriate party shall have the absolute and uncontrolled right to cure. Written notice shall be dispatched by Lessor to the Administrator of the Division of Purchasing; if by Lessee to Lessor, at the respective mailing addresses heretofore stated in Exhibit E. Cancellation of this Lease shall be ineffective if attempted in any other manner.

8. **OWNERSHIP:** It is expressly understood and agreed that this is a contract of leasing only and that Lessee by these presents acquires no right, title, or interest in or to the Equipment described in this Lease, except those of Lessee under this Lease.

9. **PERSONAL PROPERTY.** The Equipment is and will remain personal property of the lessor and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon.

As the Equipment is and will remain personal property of the lessor, the lessor will be responsible for all personal property taxes. The State is generally exempt from payment of state sales and use taxes and from personal property tax and as such the State will not be billed by the lessor for the personal property tax.

10. **COST OF OPERATION:** Lessee agrees to bear the entire cost of operating the leased Equipment and agrees to follow the manufacturer's servicing recommendations. Lessor shall have the right to inspect the leased Equipment during reasonable business hours.

11. **OVERLOADING:** Lessee agrees that it will not operate the Equipment beyond the rated capacity established by its manufacturer. Lessee also agrees not to make any alterations to the Equipment, its attachments, controls, or motors.

12. **ASSIGNMENTS:** This Lease shall not be assigned by Lessee, without the written consent of the Lessor. Neither this Lease, nor any of Lessor's rights hereunder, shall be assigned or in any other manner be transferred by Lessor to any other party, without the written consent of the Administrator, Division of Purchasing, and any such agreement or transfer without such approval shall cause the annulment of the Lease so assigned or transferred, at the option of the State of Idaho. For WSCA master contract number EPS050076 with Idaho participating Addendum Number PADD1020 only, Neopost Corporation may assign the lease in whole or for payment only to another Neopost Owned Entity or Affiliate without the written consent of the Administrator, Division of Purchasing.

13 **NEGLIGENCE:** The Lessee will hold the Lessor harmless for any liability arising out of the negligent use or operation of the Equipment by the Lessee. Lessor will hold Lessee harmless for any liability arising out of the negligence of Lessor; or defect or operation of the Equipment; or arising out of a failure by Lessor to comply with any state or federal statute, law, regulation or act.

14. **OFFICIALS, AGENT AND EMPLOYEES OF LESSEE NOT PERSONALLY LIABLE:** It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the State of Idaho be in any way

**STATE OF IDAHO
LEASE AGREEMENT**

personally liable or responsible for any covenant or agreement herein contained whether express or implied, nor for any statement, representation or warranty made herein in any connection with this Lease.

15. **APPROPRIATION BY LEGISLATURE REQUIRED:** It is understood and agreed that Lessee is a government entity and this Lease shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State Legislature or the Congress of the United States as may from time to time exist. In the event the Idaho Legislature or the Congress fails, neglects or refuses to appropriate such funds as may be designated by and enable the Requisitioning Agency to continue the Lease payments, this Lease shall be at such time automatically terminated and at an end, and all future rights and liabilities of the parties hereto shall thereupon cease within ten (10) days after written notice to the Lessor. It is understood and agreed that the Lease payments herein provided for shall be paid from the joint appropriation of the State of Idaho, Requisitioning Agency as listed in Exhibit E.

15. **INSURANCE:** The Lessee maintains a program of self-insurance; and the Equipment will be insured to the same extent as other property of the Lessee. All Public Liability coverage for the Lessee individually shall be secured by Lessee. Upon written request Lessee shall furnish Lessor satisfactory evidence of such insurance coverage or self-insurance, which evidence shall among other things provide that Lessor receive immediate notice of policy cancellation. All such insurance or self-insurance shall protect, as their interests may appear, the Lessor, the Lessee, any other person having an interest in the Equipment, and any person responsible for the use or operation of the Equipment.

16. **GENERAL PROVISION:**

- (a) Neither party shall be liable or deemed to be in default for any Force Majeure delay or failure in performance under this Lease or interruption of service resulting from Acts of God, civil or military authority, acts of war, riots, insurrections, labor disputes, or unusual delays beyond the Lessor's control.
- (b) This Lease shall be construed in accordance with, and governed by the laws of the State of Idaho.
- (c) This Lease, with the WSCA master contract number EPS050076 with Idaho participating Addendum Number PADD1020 constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede all previous proposals, both oral and written, negotiation, representations, commitments, and all other communications between the parties. It may not be released, discharged, changed or modified except by an instrument in writing signed by a duly authorized representative of each of the parties. The terms of the Lease shall prevail notwithstanding any variances with the terms and conditions of any order submitted by the State of Idaho.

**STATE OF IDAHO
LEASE AGREEMENT**

EXHIBIT "A"

Equipment

General Equipment Description

**STATE OF IDAHO
LEASE AGREEMENT**

EXHIBIT "B"

Specifications:

WSCA master contract number EPS050076 with Idaho participating Addendum Number PADD1020 specifications, including contract terms and conditions, if not attached or otherwise described, are those stated in the WSCA documents and are incorporated by reference as though herein set out in full.

**STATE OF IDAHO
LEASE AGREEMENT**

EXHIBIT "C"

Delivery Date:

On or Before _____

Lease Term:

__ year(s) [with option to renew, if provided in bidding documents]

**STATE OF IDAHO
LEASE AGREEMENT**

EXHIBIT "D"

Lease Costs:

Detailed equipment list and monthly cost (if maintenance agreement is
purchased list maintenance cost per month)
Monthly @ \$_____ per month

Delivery & Installation:

NONE

De-installation & Removal:

NONE

**STATE OF IDAHO
LEASE AGREEMENT**

EXHIBIT "E"

Contractor

NEOPOST

30955 HUNTWOOD AVENUE

HAYWOOD CA 94544

Contact :

Ms. Tracy Warren

Phone: 303-420-6385

Cell _____

FAX 303-420-6386

E-MAIL t.warren@neopostinc.com

Requisitioning Agency's (Lessee) Name and Address:

Agency Contact

State of Idaho

JAMES E. RISCH

Governor

PAMELA I. AHRENS

Director

JAN COX

Administrator

jan.cox@adm.idaho.gov

Department of Administration

Division of Purchasing

5569 Kendall Street

P.O. Box 83720

Boise, ID 83720-0075

Telephone (208) 327-7465 or FAX (208) 327-7320

www2.idaho.gov/adm/purchasing

August 14, 2006

Traci Warren
Neopost
30955 Huntwood Ave
Hayward CA 94544

RE: Western States Contracting Alliance, State of Idaho Participating Addendum Contract Number
PADD1020 Mailing Equipment

Dear Ms. Warren:

The State of Idaho has a need for a contract amendment to the State of Idaho Participating Addendum contract number PADD1020, Western States Contract Alliance Mailing Systems Contract.

The attached contract amendment and the provisions hereof will hereby be attached to and made part of that Western States Contracting Alliance, State of Idaho Participating Addendum contract number PADD1020, dated January 13, 2006 ("Contract") for Lease (rental) of Mailing Equipment for the State of Idaho, Division of Purchasing, between NEOPOST as "Contractor" and the State of Idaho as "State." Contractor and State hereby agree as follows:

All of the costs, terms and conditions contained in the Western States Contracting Alliance, State of Idaho Participating Addendum Contract shall remain in full force and effect, except as expressly modified herein. The effective date of the Amendment will be upon signature date of the State of Idaho.

After your review, please circle the appropriate comment and complete the signature block below. Forward these documents to the Division of Purchasing. After receiving the completed documents from you, they will be approved and signed in this office. A completed copy of the contract amendment will be returned to you for your files.

Your response no later than August 17, 2006 is appreciated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year executed by the State of Idaho.

NEOPOST

State of Idaho, Division of Purchasing

☒ AGREE

☐ DISAGREE

By



Name

GERARD GROSSANO

Title

VP OF SALES

Date

8-14-06

By



Name

Mark Little

Title

Purchasing Manager

Date

8/14/06